

CHAPTER 1 SECTION 8

ECONOMIC INTEREST IN CONNECTION WITH MENTAL HEALTH ADMISSIONS

ISSUE DATE: March 13, 1992

AUTHORITY: [32 CFR 199.4\(g\)\(73\)](#)

I. APPLICABILITY

This policy is mandatory for reimbursement of services provided by network and non-network providers. However, alternative network reimbursement methodologies are permitted when approved by TMA and specifically included in the network provider agreement.

II. ISSUE

Economic interest in connection with mental health admissions.

III. POLICY

Inpatient mental health services (including both acute care and RTC services) are excluded for care received when a patient is referred to a provider of such services by a physician (or other health care professional with authority to admit) who has an economic interest in the facility to which the patient is referred, unless a waiver is granted. Requests for waiver shall be considered under the same procedure and based on the same criteria as used for obtaining preadmission authorization (or continued stay authorization for emergency admissions), with the only additional requirement being that the economic interest be disclosed as part of the request. The same reconsideration and appeals procedures that apply to day limit waivers shall also apply to decisions regarding requested waivers of the economic interest exclusion. However, a provider may appeal a reconsidered determination that an economic relationship constitutes an economic interest within the scope of the exclusion to the same extent that a provider may appeal any other determinations. If a situation arises where a decision is made to exclude payment solely on the basis of the provider's economic interest, the normal appeals process will be available.

IV. EXCLUSIONS

The economic interest provision does not apply to:

A. Services under the Program for Persons with Disabilities (formerly known as Program for the Handicapped).

B. Partial Hospitalization.

- END -